

Part 2 of 3

November 18, 2009

Re: Corning Incorporated Employees Political Action Committee (COREPAC) July Monthly Report (6/1/09-6/30/09) and September Monthly Report (8/1/09-8/31/09)

As indicated on COREPAC's FEC Form 1 Statement of Organization, COREPAC is not affiliated with DOWPAC, but is affiliated with the Dow Corning Corporation Legislative Action Team, which is the PAC of Dow Corning Corporation. Dow Corning Corporation was incorporated in Michigan in 1943 by The Dow Chemical Company and Corning Incorporated (then Corning Glass Works) and is equally owned and controlled (through 50/50 stock ownership) by them today. That stock ownership of Dow Corning Corporation does not make the two shareholders affiliates of each other.

For purposes of the campaign finance laws, Dow Corning Corporation shares the same attributes as the jointly owned companies described in the FEC's advisory opinions consistently holding that equal ownership of a subsidiary does not result in affiliation among the subsidiary's owners. Rather, each owner is independently affiliated with the subsidiary, but not with each other. As stated in Advisory Opinion 1997-13:

"The Commission concludes therefore that [the subsidiary] is an affiliate of each of [the parent] companies. This is consistent with prior advisory opinions involving the relationship of a joint venture entity owned 50-50 by two corporations where the Commission concluded that the parent corporations' PACs were affiliated with the joint venture entity's PAC, but not with each other. Advisory Opinions 1992-17 and 1979-56."

Advisory Opinion 1992-17 also refers to Advisory Opinion 1979-56 to reach the same conclusion:

"This is consistent with the Commission's conclusion in Advisory Opinion 1979-56 where two corporations each owned 50 percent of the stock of a third corporation they jointly created; the Commission concluded that the PACs of the parent corporations would each be affiliated with the third corporation's PAC but not with each other."
